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**M E M O R A N D U M**

**TO:** All Retirement Boards

**FROM:** Joseph E. Connarton, Executive Director

**RE:** Increased Noncontributory COLA

**DATE:** August 15, 2000

Sections 101 and 408 of Chapter 159 of the Acts of 2000 (the FY2001 state budget) allow those retirement systems and legislative bodies which have properly accepted Section 51 of Chapter 127 of the Acts of 1999 (the Increased COLA Act) to pay to non-contributory retirees a cost of living adjustment equal to that granted to contributory retirees. This Act allows the payment of the increased COLA for noncontributory retirees retroactive to July 1, 1999.

This provision is not a local option and the cost of such noncontributory COLAs are paid by the town, city, district or authority, not the retirement system. For systems which have accepted Section 51, the retirement board must simply vote to pay the non-contributory COLA retroactively. In order to pay the noncontributory COLA retroactively, the board must act during FY 2001 (by June 30, 2001). In the future, in any year that a retirement board acts to grant an increased COLA, noncontributory retirees will automatically receive a COLA equal to that granted to contributory retirees.

For more information on the Increased COLA, see PERAC Memo #48/1999. We trust the foregoing is of assistance. If you have further questions or concerns, please contact this office.